

Statement of

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Oversight Hearing

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Hearing Topic: “Halfway to the 2010 Census: The Countdown and Components to a
Successful Decennial Census”
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Thank you for the opportunity to be part of this hearing on “Halfway to the 2010 Census: The Countdown and Components to a Successful Decennial Census.” My name is Joan Gentili Naymark. I am Director of Research and Planning for Target Corporation, the nation’s second largest general merchandise retailer. On behalf of Target, I represent the United States Chamber of Commerce, the world’s largest business federation representing more than three million organizations of every size, sector, and region, on the Census Advisory Committee to the Secretary of Commerce since the 1990s. I participated in pre-2000 census planning, supported the 2000 enumeration, and have listened intently to the post-census evaluation discussions about what worked and what needs improvement. I am an active member of the Advisory Committee in the 2010 planning process. I come to you today offering a strong endorsement for an accurate 2010 Census. I am motivated by a deep desire to achieve the most accurate census ever

in 2010, and I believe that partnerships with the business community, including Target, will support that goal.

My remarks will address three points.

- 1) First, why business cares. The business community needs an accurate 2010 short form Census and annual American Community Survey long form data for a multitude of planning, operational, and financial purposes. The census is an important part of our country's economic infrastructure. A poor enumeration would have adverse financial and operational consequences.
- 2) Second, to reiterate our continued support. Business and Industry actively supported and assisted with the 2000 census and will do so again for the 2010 census. Our partnership and support are important components of an accurate enumeration.
- 3) Third, to stress that the Master Address File is among the most important requirements for an accurate census. While each census depends on professional expertise, careful planning and research, broad-based partnerships, and commitment to timely funding and comprehensive support, the lack of a comprehensive, up-to-date address list would be a critical missing factor. For that reason, it deserves your special attention.

Now to address my first point:

- 1) Why does business care about an accurate census?** Although my professional experience is in the retail sector, my views reflect those of the broader community of

business and industry, including housing and mortgage banking, health care, communications, services, hospitality, transportation, marketing, and manufacturing. Collectively, these sectors drive trillions of dollars in economic activity through capital investment, movement of goods, provision of goods and services, job and housing growth, and community development and stability.

Broadly speaking, I represent census data users within the business community. We need high quality data for small geographic areas in order to make strategically and financially sound decisions. We need data to be comparable over time and across geography, for small geographic units below the county and city level. Let me share some examples about why these data are important to businesses on a daily basis.

Tracking population and demographic trends allows wise business planning and investment decisions. Target Corporation uses census data to select locations for new stores, to determine capital spending on remodeling and infrastructure, to make decisions so that merchandise, marketing, and advertising match the neighborhoods in which the stores operate, to plan our work force, and to support community giving.

Target's new store site location decisions are made for the long-term -- 20+ years. Each store costs nearly \$20 million to construct and creates more than 200 jobs. A wrong decision is not easily corrected. A store cannot be picked up and moved. Building in the right location with the proper level of investment for the long term brings jobs, goods and services, and economic stability to local communities. Smaller retail stores, restaurants,

and services depend on the research of large retailers and developers, co-locating next to larger stores in shopping centers. Target's first store, located in Roseville, Minnesota, opened in 1962, more than 40 years ago. This year, armed with high quality 2000 census data, we made the decision to tear down the original building and construct a new, larger Roseville store to serve our guests for another 20 years. Without the accuracy and depth of census data, that multi-million dollar decision would have been difficult, if not impossible. There are many local benefits of the Roseville new store decision, including hundreds employed at the store, Target's community giving, sales and property taxes paid, local school contributions, and thousands of guests served.

Evaluations of the 2000 census showed a lower net undercount than in 1990, which was the first census since scientific evaluations began to be less accurate than the census before it. The 1990 census also resulted in the highest differential undercount of racial and ethnic minorities ever recorded. The business sector realized immense benefit from the more accurate 2000 census. With careful analysis, we were able to make decisions to override plans based on the flawed 1990 census results. A high undercount appears as a smaller population in data tables, which results in fewer store openings -- an "opportunity cost" in economic terms. The difference between the high undercount of the 1990 census and the more accurate count of the 2000 census identified where investment opportunities had indeed been missed. We carefully evaluated urban neighborhood data to identify whether the change represented "real" population growth in the 1990s or if the numbers simply reflected a correction of the 1990 count. An important lesson to be learned from this historical tracking is that census accuracy

matters most at smaller levels of geography – counties, cities, congressional districts, neighborhoods, and even the block level.

Accurate census counts, as well as data on race and ethnicity, household size and composition, age, and tenure are key for accurate estimates and projections throughout the decade. Target confidently opens stores in a wide range of settings – suburbs, urban areas, edge cities, and rural America. To serve all of these communities well, we must understand their differences to correctly tailor products and services to meet the needs of their residents. In Queens and urban Chicago, data on ethnicity, housing stock, home ownership, and household living patterns inform store planning decisions, including the size and number of fitting rooms, the number of parking spaces, and the demand for megapacks of papers towels or bicycles and patio furniture. Without reliable neighborhood level data, identifying which older neighborhoods are transitioning to young families is difficult. Our guests rightly expect that Target offers the right merchandise in the right quantities for their shopping experience. We can predict with confidence at which locations home décor and bedding plants will sell well, based on census data on the age and mix of the population and housing stock, including factors such as apartments or single family homes, owners or renters, seasonal or year-round housing, and family life-cycle stage. Each neighborhood has different wants and needs when it comes to fixing up their homes and gardens. Neighborhoods change and so must our stores and offerings.

Accurate census data on race and ethnicity identify opportunities for multi-cultural merchandise and bilingual signing in areas with large and growing Latino and Asian populations. A wrong decision based on faulty data could lead to bad financial decisions or perceived lack of respect for the local area, offending guests.

Socioeconomic data collected from the long form in prior censuses will now be dependent on the American Community Survey (ACS). These data are critical for business planning for market potential and consumer segments based on household income, education, occupation, and home value. The annual collection of accurate small area socioeconomic and demographic data through the ACS is an innovation of the highest order with immense promise. The entire business community has high expectations for greater insight and efficiency from the ACS data. However, without an accurate decennial census count as a foundation, ACS benchmarks and sampling estimates are at risk, with negative outcomes for ACS data quality.

2) Business Community Support. The second point of my remarks is to assure you that the business community has and will actively support accurate decennial census enumeration activities. Target Corporation joined other businesses and organizations to publicize the census in 2000. Target included a census advertisement in our weekly newspaper circular and worked with Local Census Offices to provide language assistance guides in stores located in hard-to-enumerate areas. Target printed notices in employee

newsletters, reaching thousands of team members, and provided information on the Census in the Schools program to nearly 100,000 school partners.

Why does business support an accurate census? The census is the largest national peacetime activity and the foundation of our democratic system of governance. Private sector contributions help get it right.

A key success factor for the 2000 census was the Partnership Program. While partnerships existed in prior decades, the 2000 program had more depth and substance than before and resulted from careful planning through the 1990s. Partnerships with business, state and local governments, non-profits, community organizations, the media, schools, and others were part of the tool-kit of success. They effectively generated interest and knowledge in the census and supported the important Paid Advertising program. Strong partnerships helped achieve high early mail-back response rates, which are the most cost effective and accurate of all responses. Partner organizations helped break down barriers for traditionally difficult-to-enumerate populations. Familiar local organizations reached out in the community with the strong message, “Census participation is important. Do this for our community.”

I urge your enthusiastic support of a 2010 Partnership Program that is equal to or exceeds the scope of the 2000 census partnership program. It must be broad-based with meaningful two-way communication, and it must start early in order to be effective. With growing privacy concerns by Americans, partnerships will play a critical role in

breaking down barriers to participation by the general population, even among those who had no concerns in prior enumerations. The General Accounting Office reported in February 2002 that, while initial mail response rates in 2000 looked promising, public cooperation (that is, the percent of occupied households that mailed back a questionnaire) actually declined slightly in 2000 from the 1990 rate. This means that a broad range of partnerships will be even more essential to ensuring an accurate census in 2010. The Census Bureau will benefit from listening to and seeking the advice of local partners, much as we at Target headquarters learn when we listen to our guests and the store leadership teams who live and work in the community. Local partners have important insight that will help the Census Bureau successfully enumerate every American.

3) 2010 Census operational and design issues. It is now 2005 -- a critical time for planning the 2010 Census. I speak from the perspective of a long-time member of the Decennial Census Advisory Committee. I have followed census research and development, planning, and preparations closely. This short form only census should enhance response rates, improve processing logistics, and create an easier environment in which to gain public participation. However, all components of a successful census require your highest level of support and funding during the crucial planning and preparation phases. A census that is not well planned and thoroughly tested will cost far more in terms of both money and accuracy down the road. Activities are now underway to rigorously test the questionnaire to ensure reliable, valid responses, to ensure an excellent field operation using technological innovations and efficiencies, and to secure pre-enumeration partnerships to create an atmosphere of trust.

Now, for my third point: While I am not an expert in all of the technical aspects of the census, I would like to specifically address the Address File, the under- and over-count, and long form data collected in the American Community Survey as keys to an accurate count from the perspective of the business community.

The Address List. Census enumeration is based on a housing unit model. This model identifies where people live and then counts the people who live there. For this to occur, two things must hold. The address list must be comprehensive and accurate, and people must identify with a primary residence.

The Master Address File/TIGER improvements are a fundamental element of success for an accurate 2010 census. Housing duplicates and inaccurate digital maps (TIGER) appeared to be problematic in 2000, contributing to the substantial overcount. At the same time, failure to accurately include multiple-unit housing units, especially in cities, contributes to the undercount and remains a source of concern for 2010.

Identifying new housing developments and the correct number of units within a structure on Census Day have always been challenges for the talented Census Bureau professionals. America's housing stock grows in both traditional and non-traditional ways. Housing and transportation costs are soaring, leading to rapidly growing edge city developments and higher density urban/suburban housing. Zoning codes are

accommodating changes for higher density and affordable housing, such as allowing housing units above commercial buildings and in high density mixed use developments.

Existing housing stock is also being used at higher density. With affordable worker housing increasingly scarce in many metro areas, some creative uses of existing housing are occurring. Single family homes are divided to accommodate multiple households at a single address. Some families live together in one home, including many new Americans who view this as transition housing. Collaborating with local governments and organizations is essential for the creation of a comprehensive, accurate address list which identifies all units. Governments, service providers, and community advocates have excellent local knowledge of new and alternative housing and living arrangements which should be leveraged to reduce the undercount.

Over-count and under-count. In addition to economic reasons for housing market changes, there are also demographic surges which will be challenges for the 2010 census. The largest generations of Americans -- the Baby Boom, the Echo Boom, and recently arrived Americans -- will pose special challenges for the 2010 census. The peak of the Baby Boom generation will have turned 50 years old by 2010. Some will be empty-nested, some will retire, others will be snowbirds with second residences. Which address is their census address? The leading edge of the Echo Boom will have graduated from high school in 2010. These young people will be in college or establishing their own independent households. Where will they be counted?

Double counting those with second residences and college students away from home are perennial issues for the Census count, but in 2010 there will be more of them than ever. The potential for a large undercount also exists, as the largest generation of new Americans, those who arrived in the 1990s, may live in less traditional housing and household structures in a wider range of geographic locations. These families may be missed by traditional address lists or may have joint occupancy and not be as easily identified.

Long Form Data: Socioeconomic data collected on the new American Community Survey will be benchmarked to census and annual population estimates. The quality of the ACS data depends on the quality of the underlying 2010 Census. There is no viable alternative for the information collected in the census and the American Community Survey. The Census Bureau alone is positioned to ensure that we know as much about Wilmington, Ohio as we do about St. Louis, Missouri. A privately run organization could not replicate the conditions and infrastructure required to collect accurate, comparable data for neighborhoods of all sizes across the country. Congress must commit to the American Community Survey over the long term, with adequate sample size, field staff, and outreach efforts, to ensure accurate, comprehensive data throughout the decade. The benefit goes beyond more timely – and, therefore, more accurate – data at the community level; the Census Bureau can now focus its efforts in 2010 on the constitutional purpose of the census – to count and locate the population accurately as the basis for fair representation in our democracy.

In closing, we urge Congress to support a successful, accurate 2010 census by committing the necessary support and funding, now and in the remaining years leading up to the count. It will benefit our economic infrastructure and support efforts in both the public and private sectors, working in partnership, to improve the quality of life for all Americans.

Thank you. I would be happy to answer any questions from members of the subcommittee.